GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:509
ANSWERED ON:02.03.2007
VOTING STRUCTURE OF IMF
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Will the Minister of FINANCE be pleased to state:

(a) whether the voting structure of the International Monetary Fund (IMF) is not satisfactory in the opinion of the Government;

(b) if so, the details thereof and strategy formulated by India;

(c) the details of the administrative structure, the member countries and the franchise rights in the IMF; and

(d) the comparative details of the representations of the developed and developing countries in the IMF?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (d): The voting structure in the 185-member IMF is determined through a system of quotas, which is based on a set of complex formulae. Broadly, the Developed Countries have 63 percent of the total quota share, while the Developing Countries have 37 percent (The details of the 185 members countries can be viewed at the IMF website www.imf.org). This distribution of quota shares among the members arose mainly as a reflection of the historical position when the IMF was established in 1944. Along with other countries, India feels that it does not reflect the current economic strength of countries, especially the emerging market economies. India has argued that in view of the changed global economic situation, there is necessity for better alignment of quota shares and that this can be achieved by giving prominence to GDP in a revised quota formula to reflect the economic weight of member countries. Regarding the administrative structure, the day-to-day management of the IMF is carried out by the Managing Director, assisted by a Board of Executive Directors. The Board of Governors, consisting of Finance Minister of each member country, is the highest decision-making body of the IMF.